



SCOTT FITZPATRICK MISSOURI STATE AUDITOR

Kinloch Fire Protection District Investigative Summary

Summary of Significant Complaints reported:

The Missouri State Auditor's Office's Whistleblower Hotline received a complaint that the Kinloch Fire Protection District (District) purchased new vehicles despite insufficient financial resources. The complaint also alleged familial relationships between the Fire Chief and Board of Directors members created conflicts of interest.

Background:

The District is located in St. Louis County, was organized in 1944, and is supported by property taxes. The District is governed by a 3 member Board of Directors and a Fire Chief. During the period of our review the Fire Chief was Kevin Stewart and the Board Members were Andre Green, Martha Peebles, and Edna Reese. In April 2025, Kena Beuford was appointed to replace Peebles after she was elected to the City of Kinloch Board of Aldermen and Damille Dixson was elected to replace Reese. Andre Green also resigned in April 2025 leaving the District with only 2 Board members until April 2026, when Christina Merritt and Kena Beuford were each elected to a full-term.

Our office previously audited the Kinloch Fire Protection District because of District noncompliance with audit and reporting requirements. The audit report, Report No. 2018-38, *Kinloch Fire Protection District*, issued in June 2018, included findings of nepotism and failing to file financial reports with the State Auditor's Office as required by state law.

Methodology:

Our investigation included a review of various documents for the period October 2024 through March 2025, including the District's financial reports, bank and credit card statements, disbursement support, policies and procedures, employee lists, and meeting minutes.

Complaint Review:

Our review of District procedures noted, during our review period, the Board did not obtain timely audit reports to adequately monitor the District's financial condition, unnecessary inactive bank accounts, questionable and unsupported credit card transactions, bonus payments, and policy violations related to the Board and Fire Chief's supervision.

Financial Oversight and Condition

The District did not timely obtain the required independent audits. Without such reports it is difficult for the Board to appropriately monitor the District's financial condition. As reported in Report No. 2025-096, *St. Louis County Fire Protection Districts*, issued in December 2025, the District did not submit its audit for the year ended December 31, 2024 as required. The District submitted its audit report for the year ended December 31, 2022 in February 2025 and the year ended December 31, 2023 in August 2025. The District has engaged auditors for the 2024 audit. Financial reports provided by the District indicate the ending cash balance for all district funds was approximately \$8,000 as of December 31, 2024. Given this, it is imperative for the Board to closely monitor the District's spending. A review of meeting minutes indicates that the

Board frequently discussed cash balances and the need for audits, but without audited finances, it is difficult to ensure amounts discussed are accurate. Our review of the District's bank statements also noted several of the District's accounts had limited activity beyond accruing interest. Maintaining inactive bank accounts increases the risk of loss, theft, or misuse of funds.

Disbursements

Due to concerns with the District's financial condition and spending we reviewed district bank and credit card statements for the period October 2024 through March 2025 and noted the credit cards were used for purchases that did not comply with district policy including apparent personal purchases for a Board member, food purchases without a documented district purpose, and unsupported fuel purchases. We noted the Board did purchase vehicles, but followed appropriate procurement procedures and the purchases do not appear unnecessary as alleged in the complaint. Additionally, the District paid bonuses labeled "stipends" in 2024. Such payments were not made in 2025.

The District maintains 2 credit cards, 1 card assigned to the Director/Treasurer (now the Assistant Fire Chief) and 1 card assigned to the Fire Chief for use of the District as a whole. District policy allows credit card use only for emergency purchases, travel expenses related to approved district business, online purchases from verified government or commercial vendors, pre-approved recurring charges (e.g., software subscriptions), and fuel and supply purchases when vendor terms do not support invoicing. The policy also specifically prohibits alcohol purchases.

Our review determined the credit cards were used for car washes for a Board director with no fire vehicle assigned, food purchases including lunch and dinner meetings at restaurants, and donut purchases that do not appear to be emergencies. One purchase for a December 2024 meeting included alcohol. Additionally, 12 of the 65 fuel purchases on the Fire Chief's card were unsupported. The Fire Chief purchased fuel approximately every other day for a total of approximately \$3,400 in the period reviewed. Our previous audit recommended the District establish effective monitoring procedures over fuel. In one case, the Board approved \$200 to provide food for a Board member's family's funeral. The Board discussed the fact that the use of public money for a private entity was prohibited by policy, but determined it was appropriate as the family member was a former volunteer fire fighter. However, the Board member did not abstain from the vote related to her family member as required by policy.

The District purchased a 2024 Chevrolet Tahoe through the Missouri Office of Administration Cooperative Procurement Program with Board approval. The other command vehicle is a 2013 Ford Explorer that was purchased as a used vehicle in May 2021. A 2012 Chevrolet Tahoe was traded in for this vehicle. It does not appear unnecessary vehicle purchases were made as alleged.

In 2024, the District issued bonuses labeled as "stipends for Christmas bonuses" in the Board meeting minutes in violation of Article III, Section 39(3), Missouri Constitution and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered." The Board provided bonuses of \$200 to firefighters, captains, and assistant chief, and later approved an additional \$100 for the Fire Chief and the District's business management firm, a private entity. We also noted the Board approved bonuses for Board members including a member who was no longer on the Board when the vote was taken. No bonuses were paid out in 2025.

District residents have placed a fiduciary trust in their public officials to spend district funds in a prudent and necessary manner. Adherence to established policies on allowable purchases and state law is necessary

to ensure limited district funds are spent appropriately and responsibly. If the Board intends the credit cards to be used for food or other purchases, it should establish policies governing such purchases to ensure employees have clear guidance and purchases are prudent.

Familial Relationships

Due to reported concerns, we inquired about any familial relationships between the Board of Directors, the Fire Chief, and district staff. Our review noted 2 Board members (during our review period) were related to the Chief, and he was the direct supervisor of 2 relatives in violation of policy. As noted in the background section, the related Board members have been replaced during the 2025 and 2026 elections.

Name	Position	Relationship To Fire Chief
Martha Peebles	Board Treasurer	Aunt
Andre Green	Board Member	Brother-In-Law
Shanna Green	P/T Admin Asst.	Sister (married to Board Member)
Donna Stewart	P/T Admin Asst.	Mother

District policy indicates the Board shall not employ, appoint, or contract with a relative of a current Board member or officer if that individual's position would be subject to direct supervision, influence, or approval by the related Board member or officer. Also, no employee may be placed in a direct supervisory relationship over a relative. It appears the Fire Chief is violating this provision by supervising the administrative assistant positions held by his sister and mother. Board members serve in a fiduciary capacity and have an obligation to the public to avoid the appearance of impropriety in district operations, and a lack of independence could harm public confidence in the district and reduce its effectiveness.

Conclusion:

Our review found the Board did not provide sufficient financial oversight due to untimely audits. The District cash balance was only approximately \$8,000 at December 31, 2024, but district officials continued to make purchases that appear personal and in violation of the District's own policies and the Board issued bonuses to itself and staff in violation of the Missouri Constitution. Given the District's financial limitations, it is critical for the Board to continue to closely monitor the District's financial condition and ensure district spending is prudent. In addition, several Board members were related to the Fire Chief and the Fire Chief supervised relatives in violation of district policy which gives at least the appearance of impropriety. Many of the issues noted in our investigation were also noted in our 2018 audit of the District and our annual review of St. Louis County Fire Protection District audit reports. Furthermore, our review revealed a possible violation of Section 115.351, RSMo, as it appears Martha Peebles filed for more than one office to be filled at the same election.

We will prepare a closing letter indicating the findings of the investigation and recommending the Board of Directors obtain annual audits as required, continue to closely monitor the financial condition of the District, ensure all district purchases including credit card purchases are necessary and prudent in accordance with district policy, follow policy regarding the appointment and supervision of relatives, and refrain from paying bonuses. Additionally, we will refer the potential violation of Section 115.351, RSMo to the Secretary of State for further review.